

number of study participants and the panel design make the CAP study a promising opportunity to understand not only the performance of CAP loans, but also the social and wealth impacts of homeownership.

As of November 2005, two waves of panel data have been completed and the third wave is nearing completion. The first survey (“wave-1” or baseline) focused on the mortgage origination process and included questions on homeownership education, lender selection and closing costs, and collected demographic data. The second survey (“wave-2” or follow-up) added an additional module on social capital and parenting, and updated certain demographic information. To better identify the impacts of homeownership, a comparison panel of renters was begun, with the first renter survey administered at the time of the wave-2 CAP homeowner’s survey.

Methods

Samples

The original sample of 3,690 was drawn from the universe of homeowners participating in CAP.² Most respondents completed the wave-1 survey between 12 and 24 months (mean of 17 months) after origination of their mortgage loan (see Exhibit 4.A). Wave-1 survey administration began in 2001, but most of the surveying occurred in 2003. The wave-2 survey was completed for 2,571 households, with most respondents re-interviewed between 12 and 24 months after they completed wave-1; the mean time between wave-1 and wave-2 was 17 months with a standard deviation of 6 months. The bulk of the wave 2 surveying took place in 2004.

Respondents were required to be age 18, and attempts were made to exclude college students. Respondents older than 65 were removed from the sample for the purposes of this analysis.

Interviewers contacted homeowners by phone, requesting to speak with the person whose name appears on the mortgage application. When more than one person signed the mortgage, the interviewer asked for the person whose name appears first. This person is identified in this report as the “respondent.”

The original wave 1 survey was completed by 3,690 homeowners. Of this group, 69.7% or 2,571 completed wave-2 follow-up interviews³. **These 2,571 respondents who completed both surveys comprise the panel used for most of the analysis in this report.**

² To be eligible for inclusion in the panel sample, a loan had to have a first payment date of November 1, 1999, or later. The sampling spread out over many months and took place in several “draws.” The first draw consisted of 806 loans, which was the total number of eligible loans as of September 31, 2000. The sampling process lasted from late 1999 to 2003. The number of CAP loans purchased from January 2000 thru December 2003 was about 22,000.

³ Nine percent of the original wave 1 survey respondents moved, another 8% had bad phone numbers, 7% had working numbers but could not be contacted and 5% refused to participate in the wave 2 survey; 1% were ineligible.